

Department of Social and Health Services

DP Code/Title: **M1-93 Mandatory Caseload Adjustments**

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

Program(s): 010

This request reflects the changes associated with the Department of Social and Health Services (DSHS) Office of Forecasting and Policy Analysis (OFPA) and the Caseload Forecast Council (CFC) caseload projections for the Children's Administration (CA). This item is a placeholder request to fund the forecast for the Adoption Support and Foster Care programs. Placeholder estimates include an 8.6 percent increase in per capita costs each year in Foster Care. The Adoption Support program is estimated to grow by an average of 9 percent per year during the 2003-05 Biennium. This estimate will be revised October 2002 to reflect the forecast adopted by the Caseload Forecast Council for the 2003-05 Biennium and corresponding expenditures.

Program(s): 030

This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Years 2004 and 2005. The number of Medicaid eligibles is the basis for funding levels to the Regional Support Networks (RSNs). This is a placeholder based on the June 2002 Caseload Forecast Council (CFC) forecast. It will be updated for the official October 2002 CFC forecast.

Program(s): 040

This step requests funding for growth in the Medicaid Personal Care (MPC) program that will occur during the 2003-05 Biennium as forecasted by the Caseload Forecast Council (CFC). The June 2002 Forecast is for a MPC caseload of 11,923 persons in Fiscal Year 2004, and 12,966 persons in Fiscal Year 2005.

Program(s): 050

This placeholder decision package reflects the costs and savings associated with caseload changes in the June 2002 Forecast from the Department of Social and Health Services' (DSHS) Office of Forecast and Policy Analysis (OFPA). This forecast will be replaced in the fall with the official Caseload Forecast Council (CFC) October 2002 Forecast.

Program(s): 060

This request reflects the changes associated with the Department of Social and Health Services' (DSHS) Office of Forecasting and Policy Analysis (OFPA) and the Caseload Forecast Council (CFC) caseload projections for the Economic Services Administration (ESA). The estimates for Temporary Assistance for Needy Families (TANF) and Working Connections Child Care assume a 5 percent and 13 percent increase in caseload respectively. The dollars associated with each caseload have been adjusted to reflect the most recent forecast available.

Program(s): 080

This is a request for additional funding to meet the projected expenditures resulting from changes in the 2003-05 Biennium Medical Assistance Administration (MAA) maintenance level caseload.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	51,541,000	125,223,000	176,764,000
001-2 General Fund - Basic Account-Federal	5,022,000	10,587,000	15,609,000
001-7 General Fund - Basic Account-Private/Local	(278,000)	640,000	362,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	4,519,000	9,830,000	14,349,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	72,449,000	157,887,000	230,336,000
001-D General Fund - Basic Account-TANF (DSHS)	63,176,000	63,176,000	126,352,000
760-1 Health Services Account-State	22,478,000	46,323,000	68,801,000
Total Cost	218,907,000	413,666,000	632,573,000

Staffing

Package Description:

Program(s): 010

This decision package request is based on historical expenditures and caseloads. The forecast for the Adoption Support and

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Foster Care caseloads is updated annually, approved and adopted by the CFC. Once a forecast is developed, budgets for the affected caseloads are adjusted to reflect the new projection.

Since enactment of the Adoption and Safe Families Act several federal requirements have been in place that, in part, drive the forecasted changes in five performance requirements:

It is now required that the CA increase:

- 1) permanency for children in care;
- 2) the rate of adoptions;
- 3) stability for children in care;

And reduce:

- 4) the length of stay for children in temporary out-of-home care; and
- 5) re-entry into care.

The CA strives toward the new federal performance requirements.

Children are placed in out-of-home care to protect them from abuse and neglect and to provide the necessities of life such as food, clothing, and shelter when their parents can no longer care for them. Forecasted services are designed to ensure the safety of children and assist children who are temporarily or permanently removed from their parent's homes. Primary responsibility for caring for children requiring out-of-home support rests with the state. Federal law requires states to provide child welfare services to children through the age of 18.

Funding the forecasted need for Adoption Support and Foster Care ensures that children who are in need of protection will continue to be assisted temporarily or permanently through Washington State's child welfare system.

Program(s): 030

Funding for mental health services for low-income individuals is allocated through a per capita payment from the state to the RSNs. Adjustments to the caseload forecast for Medicaid eligibles result in changes to the level of funding provided for community mental health programs administered by the RSNs. This item requests funding related to the change in forecasted Medicaid eligibles for Fiscal Years 2004 and 2005.

Program(s): 040

MPC is a legislatively authorized Medicaid State Plan service that provides assistance to individuals needing help with activities of daily living, such as eating, toileting, ambulation, positioning, dressing, bathing, essential shopping, meal preparation, laundry, housework, and supervision. It is an entitlement for every individual who meets the Medicaid financial and program eligibility criteria.

This step requests funding for the caseload growth, using the most current CFC forecast of MPC growth for children and adults, and the average expenditures for children and adults, based on per capita expenditures as forecast by the DSHS Office of Forecasting and Policy Analysis. Continued growth in MPC reflects the entitlement nature of this Medicaid State Plan service.

Program(s): 050

This decision package reflects the costs and savings associated with changes in the number of clients who are expected to utilize the major services provided by Washington State's Long-Term Care (LTC) programs. It is based on a placeholder forecast developed by OFPA using the June 2002 CFC caseload forecasts for Nursing Homes and Home and Community Services programs.

	FY04	FY05
Nursing Facilities	12,529	12,225
In-Home Services	26,176	27,408
Adult Family Homes	3,574	3,663

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Adult Residential Care	1,517	1,552
Assisted Living	4,595	5,055

Also included are caseload changes for Adult Day Health and Private Duty Nursing using forecasts developed by OFPA.

Program(s): 060

ESA provides work-related services, child support services, financial, food, and other assistance to eligible clients. The most recent forecast for ESA programs includes caseload and cost estimates for: Child Care, TANF, Child Support Recoveries, and Consolidated Emergency Assistance Program (CEAP).

Child Care - This program provides subsidized child care for children in families up to 200 percent of the Federal Poverty Level (FPL) regardless of their participation in a grant program. This request is a direct result of caseload increase resulting in the need for approximately \$49.7 million for Fiscal Year 2004 and \$49.7 million in Fiscal Year 2005.

TANF Assistance - This caseload trend has leveled off from significant decreases between Fiscal Years 1997 through 2002. Caseload growth for the 2003-05 Biennium is estimated to remain flat. The adjusted need is approximately \$13.5 million in Fiscal Year 2004 and \$13.5 million in Fiscal Year 2005.

Child Support Recoveries - The Division of Child Support (DCS) provides collection services to custodial parents regardless of their participation in a grant program. Collections for families on assistance are retained by the state and shared with the federal government to offset the costs of the TANF grant. Collections are estimated to decrease over the 2003-05 Biennium, which will require an additional \$2.2 million in Fiscal Year 2004 and 5.5 million in Fiscal Year 2005.

The CEAP dollar adjustments associated with these caseloads are estimated to be \$131,000 in Fiscal Year 2004 and \$131,000 in Fiscal Year 2005.

Program(s): 080

This placeholder estimate is based on calculations of the incremental monthly change in the number of eligible persons between the March 2002 Caseload Forecast and the June 2002 Caseload Forecast for MAA. The calculated increase (or decrease) in the number of eligible persons was multiplied by Fiscal Year 2003 monthly per capita costs by fund source to provide an estimate of the increase (or decrease) in costs related to these caseload changes. Per capita costs and changes in eligible persons were calculated for each forecasted eligibility category. Estimates for costs related to Indian Health Services, Family Planning, and the State Children's Health Insurance Program (SCHIP) client populations were estimated using the percentage change in spending for these categories between Fiscal Year 2002 and Fiscal Year 2003 per the March 2002 Medical Assistance Forecast.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Program(s): 010

Funding for the forecasted need for Adoption Support and Foster Care supports the CA's goals of child safety, child and family well-being, and permanency for children in out-of-home care. The CA is committed to protecting children from abuse and neglect, improving the well-being of children in out-of-home care by providing adequate services to meet their needs, and providing stable, nurturing, and permanent placements as quickly as possible for children in out-of-home care.

Program(s): 040

The Division of Developmental Disabilities (DDD) will develop and improve partnerships with families and communities, moving toward increased opportunities for individual self-determination.

Program(s): 050

Caseload changes reflect the administration's goals to "Provide Public Value" by strengthening LTC information and assistance efforts; "Address Client and Family Needs" by facilitating upgrades to community-residential care models to enhance quality and accountability; and strengthening the home care program, including strategies to improve the LTC home

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

care workforce. Caseload changes also reflect the administration's goal of "Budget Performance and Economic Value" by managing access to Medicaid long-term care benefits and reducing unnecessary nursing facility capacity and Medicaid nursing facility caseload.

The forecasted caseload changes indicates a decrease in nursing home beds. This and other forecast driven caseload changes reflect the agency balanced scorecard goals of ensuring a safety net is in place for people of need, clients maintain maximum independence, services are of high quality, people participate in choices about their services, and clients experience stability.

The Governor's goals to achieve high performance government, improve quality and customer service, and to increase the safety and security of Washington State residents are also supported.

Program(s): 060

Maintain a safety net for people in poverty by providing the highest quality public assistance and child support services.

Program(s): 080

This step contributes to the agency's strategic plan by assuring that MAA clients have access to quality health care.

Performance Measure Detail

Program: 010

Goal: 03A Provide stable and permanent placements for children

Incremental Changes

FY 1

FY 2

No measures submitted for package

Program: 030

Goal: 09C Optimize services within resources

Incremental Changes

FY 1

FY 2

No measures submitted for package

Program: 040

Goal: 03D Design/maintain system of residential supports and services

Incremental Changes

FY 1

FY 2

Output Measures

3DA Provide personal care services to those individuals eligible for the State Plan as forecasted by the Caseload Forecast Council

794

1,837

Program: 050

Goal: 01E Ensure access to an array of optional long-term care services

Incremental Changes

FY 1

FY 2

No measures submitted for package

Goal: 02E Address Client and Family Needs

Incremental Changes

FY 1

FY 2

Outcome Measures

2E1 Percentage of long-term care caseload in community settings.

1.6%

3.0%

Goal: 03E Budget Performance and Economic Value

Incremental Changes

FY 1

FY 2

Efficiency Measures

7ED Monthly average cost per long-term care client.

-\$10.52

-\$10.38

Goal: 05E Provide Public Value

Incremental Changes

FY 1

FY 2

No measures submitted for package

Program: 060

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Goal: 02F Maintain safety net for people in need.

Incremental Changes

FY 1

FY 2

No measures submitted for package

Program: 080

Goal: 10H Assure access to high quality health care

Incremental Changes

FY 1

FY 2

No measures submitted for package

Reason for change:

Program(s): 010

The budgets for Foster Care and Adoption services are updated to reflect the October 2002 forecast.

Program(s): 030

This change funds RSNs according to the authorized model. As the number of eligibles changes, funding levels change accordingly.

Program(s): 040

The CFC has estimated that the number of children and adults being served by MPC will increase in Fiscal Years 2004 and 2005.

Program(s): 050

The expenditures presented in this decision package reflect the most current caseload forecasts for Long Term Care programs.

Program(s): 060

The adjustments for each caseload reflect forecasted changes in the number of cases for which grants must be provided. The changes associated with each caseload do not reflect any change in the type or level of service provided by ESA.

Program(s): 080

The forecasted changes in the MAA caseload result in a need for increased funding to maintain health services coverage for additional MAA clients during the 2003-05 Biennium at current biennium levels.

Impact on clients and services:

Program(s): 010

This item will allow the CA to provide a continuous level of service based on caseload projections updated annually.

Program(s): 030

This funding will allow the RSNs to continue providing the current level of services.

Program(s): 040

This step reflects the costs associated with providing services to the number of clients eligible, under current law, for the DDD Medicaid Personal Care program.

Program(s): 050

This step reflects the costs associated with providing services to the number of clients eligible under current law for AASA's programs.

Program(s): 060

By ensuring that adequate funding is available for the changing caseloads, the department will be able to provide grants to those who meet current program requirements.

Program(s): 080

This step includes funding projected as necessary to maintain existing services in the amount, duration, and scope as are available to persons who are currently eligible for medical assistance and for the additional persons who will become eligible for MAA in the 2003-05 Biennium.

Impact on other state programs:

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Program(s): 010 030

None

Program(s): 040

Failure to adequately fund the forecasted caseloads could increase the demand for and growth in out-of-home residential services provided by DDD and the Aging and Adult Services Administration (i.e. nursing facility services).

Program(s): 050 060

None

Program(s): 080

Funding in this step directly affects clients of virtually all other DSHS programs. MAA is obligated to pay the costs of certain necessary medical services for eligible MAA clients served by the Aging and Adult Services Administration, for medical assistance-eligible children served by the Children's Administration, and for eligible Health and Rehabilitative Services Administration clients. Basic medical care services for eligible Department of Social and Health Services (DSHS) populations are the responsibility of MAA. As stated above, the funding sought in this step will assure that these populations and persons who are solely MAA-eligible clients, will have access to medical services of the amount, duration, and scope currently defined in the DSHS State Plan for Medical Assistance.

Relationship to capital budget:

Program(s): 010 030 040 050 060 080

None

Required changes to existing RCW, WAC, contract, or plan:

Program(s): 010

No revisions needed if funding is approved.

Program(s): 030

No revisions are needed if funding is approved. It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding for this step is not approved.

Program(s): 040

No revisions are needed if funding is approved. It is likely that numerous RCW, WAC, and State Plan revisions would be required if the funding in this step is not approved.

Program(s): 050

No revisions needed if funding is approved.

Program(s): 060

None

Program(s): 080

No revisions are needed if funding is approved. Numerous RCW, WAC, and State Plan revisions would be required if funding in this step is not approved.

Alternatives explored by agency:

Program(s): 010

None. Federal law requires that states provide child welfare services to children through the age of 18. The forecasted need requires funding in order to operate a child welfare program at the same level that is currently provided for Washington State residents.

Program(s): 030

None

Program(s): 040

The MPC caseload is considered an entitlement, thus no alternatives were explored.

Program(s): 050

Alternatives have been explored in the past and the caseload driven forecast method has been determined as the most appropriate for providing the balance of service and funding requirements.

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Program(s): 060

Not applicable

Program(s): 080

The MAA caseload, with the exception of the SCHIP is considered an entitlement, thus no alternatives were explored for the non-SCHIP projected caseload growth. If the Legislature limits SCHIP funding, MAA would impose enrollment caps on the program.

Budget impacts in future biennia:

Program(s): 010

The Adoption Support and Foster Care budgets are re-forecasted each year.

Program(s): 030

Costs associated with the caseload in future biennia will be determined by future caseload forecasts.

Program(s): 040

Costs will carry forward into future biennia at Fiscal Year 2005 funding levels and will be adjusted by future caseload forecasts.

Program(s): 050

Future biennia budget impacts will be driven by caseload trends. Caseload levels experienced in Fiscal Year 2005 can be expected to carry forward into future biennia.

Program(s): 060

Costs associated with the caseload in future biennia will be determined by future caseload projections.

Program(s): 080

This caseload is forecasted every budget cycle. The estimated minimum size of future budgetary impacts would include the second year's funding as adjusted by any subsequent forecast.

Distinction between one-time and ongoing costs:

Program(s): 010 030 040

Costs in this package are ongoing.

Program(s): 050 060

The forecasted caseloads will have ongoing costs in future biennia.

Program(s): 080

Costs in this package are ongoing.

Effects of non-funding:

Program(s): 010

Fewer children requiring the state's protection and care would receive services.

Program(s): 030

If this item is not funded, there may be adverse affects to mentally ill clients who do not receive the services they need. Some impacts could include more costly consequences, such as expensive state hospital services, court-ordered treatments, and increased demand on the Department of Corrections system.

Program(s): 040

These caseloads are forecasted. If they are not funded, clients may be affected through eligibility restrictions. The level of need necessary to qualify for MPC services could be increased and/or other DD service funding reduced and transferred. Services allowed for certain levels of need could be reduced. Those changes could adversely impact services for clients of the Aging and Adult Services Administration, the Children's Administration, the Mental Health Division, and may lead to expensive out-of-home placements.

Program(s): 050

Changes in eligibility would be required if funding is not available for increased caseload census.

These changes would mean that clients currently receiving services, and those who might need services in the future, may not

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

have access to those services.

It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding is not approved.

Program(s): 060

These caseloads are forecasted programs. If they are not funded, clients will be affected through eligibility restrictions or waiting lists.

Program(s): 080

Non-funding of the caseload step is likely to result in a drop in coverage for certain optional eligibility groups and/or elimination of certain optional medical assistance services. Such actions by MAA would negatively affect the health status of the impacted populations and, in some instance, contribute to the costs of uncompensated care in Washington State's health system as a whole.

Expenditure Calculations and Assumptions:

Program(s): 010

See attachment - CA M1-93 Mandatory Caseload Adjustments.xls

Program(s): 030

See attachment - MHD M1-93 Mandatory Caseload Adjustments.xls

Program(s): 040

The CFC forecasts the June 2002 MPC caseload of 11,923 in Fiscal Year 2004 and 12,966 in Fiscal Year 2005. The carry forward funding level is 11,129 in Fiscal Year 2003. That represents a caseload growth of 794 in Fiscal Year 2004 and 1,043 in Fiscal Year 2005.

See attachment - DDD M1-93 Mandatory Caseload Adjustments.xls

Program(s): 050

See attachment - AASA M1-93 Mandatory Caseload Adjustments.xls

Program(s): 060

See attachment - ESA M1-93 Mandatory Caseload Adjustments.xls

Program(s): 080

The values shown in this decision package are based on the incremental change by month between the March 2002 Caseload Forecast and the June 2002 Caseload Forecast multiplied by the March 2002 forecasted per capita costs for the various MAA client populations. This calculation is summarized as:

(June 2002 Caseload minus March 2002 Caseload) X March 2002 per Capita Costs.

The described methodology applies to the client populations for which June 2002 Caseload Forecast numbers were available. Estimated changes for Indian Health Services (X55), Family Planning (X56), and State Children's Health Insurance Program (X58 - SCHIP) are based on the percentage change in estimated expenditures reflected in the March 2002 Medical Assistance Forecast as compared to March 2001.

See attachment - MAA M1-93 Mandatory Caseload Adjustments.xls

Object Detail

FY 1

FY 2

Total

Overall Funding

N Grants, Benefits & Client Services

218,907,000

413,666,000

632,573,000

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	51,541,000	125,223,000	176,764,000
<i>Total for Fund 001-1</i>		51,541,000	125,223,000	176,764,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	232,000	(543,000)	(311,000)
767H	Children's Health Ins Prog (CHIP)	4,790,000	11,130,000	15,920,000
<i>Total for Fund 001-2</i>		5,022,000	10,587,000	15,609,000
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	(278,000)	640,000	362,000
<i>Total for Fund 001-7</i>		(278,000)	640,000	362,000
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563A	Title IV-D Child Support Enforcement (A) (FMAP)	1,102,000	2,741,000	3,843,000
658A	Title IV-E Foster Care (FMAP)	725,000	2,176,000	2,901,000
659A	Title IV-E Adoption Assistance (FMAP)	2,692,000	4,913,000	7,605,000
<i>Total for Fund 001-A</i>		4,519,000	9,830,000	14,349,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	67,536,000	148,207,000	215,743,000
19TB	Title XIX Assistance (100%)	197,000	88,000	285,000
19TD	Title XIX Assistance (90%)	3,868,000	7,930,000	11,798,000
19UL	Title XIX Admin (50%)	848,000	1,662,000	2,510,000
<i>Total for Fund 001-C</i>		72,449,000	157,887,000	230,336,000
Fund 001-D, General Fund - Basic Account-TANF (DSHS)				
<u>Sources</u>	<u>Title</u>			
558B	Temp Assist for Needy Families (TANF) (100%)	63,176,000	63,176,000	126,352,000
<i>Total for Fund 001-D</i>		63,176,000	63,176,000	126,352,000
Fund 760-1, Health Services Account-State				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	22,478,000	46,323,000	68,801,000
<i>Total for Fund 760-1</i>		22,478,000	46,323,000	68,801,000
Total Overall Funding		218,907,000	413,666,000	632,573,000

State of Washington
Decision Package
Department of Social and Health Services

PLACEHOLDER

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Agency Wide

There are 6 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Funding Totals by Program

Dollars in Thousands

<u>Program</u>	FTE's		GF-State		Total Funds	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
010 Children's Administration	0.0	0.0	9,883	23,413	14,698	33,871
030 Mental Health	0.0	0.0	9,093	15,922	17,983	31,641
040 Div of Developmntl Disab	0.0	0.0	4,296	9,866	8,591	19,731
050 Long Term Care Services	0.0	0.0	4,592	17,002	9,610	34,652
060 Economic Services Admin	0.0	0.0	1,238	2,883	65,516	68,800
080 Medical Assistance	0.0	0.0	22,439	56,137	102,509	224,971
Grand Total:	0.0	0.0	51,541	125,223	218,907	413,666